
SUCCESSOR AGENCY to the REDEVELOPMENT AGENCY of the CITY of BURBANK

DATE: February 4, 2013

TO: OVERSIGHT BOARD

FROM: Ruth Davidson-Guerra, Assistant Community Development Director/
Successor Agency Implementing Official



**SUBJECT: CONSIDERATION OF PURCHASE AND SALE AGREEMENT
600 North San Fernando Boulevard (IKEA Property) Public Hearing**

RECOMMENDATION

Staff recommends:

1. Oversight Board adopt a Resolution (Exhibit A) approving Part 1 of the Burbank Successor Agency Long-Range Property Management Plan (Plan – Part 1) (Exhibit A.A) for the property located at 600 North San Fernando Boulevard (Property) (Exhibit B).
2. Oversight Board adopt a Resolution (Exhibit C) approving a Purchase and Sale Agreement (Agreement) (Exhibit C.A) for the sale of the Property, from the Successor Agency to 600 NSFB, LLC (NSFB).

BACKGROUND

On November 15, 1989, a Ground Lease Agreement (Lease) was executed between the former Burbank Redevelopment Agency (RDA) and IKEA PROPERTY, Inc. (IKEA), for use of the Property. The Lease granted IKEA exclusive rights to operate a retail furniture sales facility on the Property for a term of 95 years (structured as an initial period of 55 years, with four, 10-year option periods). As an economic incentive for IKEA to locate in Burbank, the Lease provided certain sales tax generation thresholds in exchange for no rent; IKEA continues to operate at the Property “rent free”. There are currently 72 years remaining on the Lease. Since the store’s opening in 1990, IKEA has been one of the City’s highest sales tax producers and is a significant contributor to the City’s tax base.

The sale of the Property will facilitate an economic development opportunity that if approved, will be of significant benefit to the City, County and all affected taxing entities¹. The law² provides for a Long-Range Property Management Plan (Management Plan) to

¹ Entities include, but may not be limited to: County Flood Control; County School Services; County Fire; Children’s Institutional Tuition Fund; Metropolitan Water District; Burbank Children’s Center; County Vector Control; and Community College Children’s Center Fund.

² Health and Safety Code Section 34191.3.

govern the disposition and use of real property assets of the former redevelopment agency. Management Plans must describe the terms of the initial acquisition, land use designations, any pertinent lease information, environmental history, transit-oriented development potential, compatibility with planning objectives, site history, and the development potential of those properties (DOF Checklist Requirements). An IKEA site-specific Management Plan (Plan – Part 1) has been prepared for the Oversight Board's consideration.³ Approval of the Plan – Part 1 by both the Oversight Board and the Department of Finance (DOF) is required.

The law⁴ also authorizes the Oversight Board to wind-down the affairs of the former RDA by selling real property and ensuring the taxing entities receive fair market value from any sale. The Oversight Board's actions shall be approved by Resolution at a public meeting after at least a 10-day notice to the public. This February 4th public hearing has been noticed as prescribed by Health and Safety Code, Section 34181 (a), and said notice was published in both the Los Angeles Daily News and The Burbank Leader, both having a local circulation. Additionally, the Burbank Successor Agency must receive its Finding of Completion before the Property can be conveyed.

DISCUSSION

Since 1990, IKEA has operated a successful retail furniture sales facility on a local level and has expanded to become one of the most popular furniture retailers in the nation. As IKEA has grown, they have expressed a desire to further develop their Burbank operation. Due to the size and configuration of the Property, expansion at their current location has proven infeasible. Both the City and IKEA have recognized the need to identify another location for IKEA within Burbank. There is currently an immediate opportunity that would provide IKEA with a bigger and better site within Burbank.

Burbank Mall Associates, LLC (BMA) is the owner of the Burbank Town Center, the adjacent regional shopping center at 201 East Magnolia Avenue. The Burbank Town Center was developed in conjunction with the IKEA store at the Property and BMA is interested in repositioning its property to increase the attractiveness of the shopping center. Central to this repositioning is the acquisition of the Property through a related entity, NSFB.

Given IKEA's strength as a leading sales tax producer and the 23-year relationship between the City and IKEA, it is crucial to keep IKEA in the City of Burbank and in the County of Los Angeles.

MANAGEMENT PLAN

The Management Plan conforms with the requirements of Section 34191.3 of the Health and Safety and also meets the intent of the DOF Checklist Requirements. A summary of the Plan – Part 1 is provided as follows:

³ The former Burbank Redevelopment Agency maintained fee interest in 21 properties in Burbank prior to March 2011, when these interests were transferred to the City. The results of the non-housing due diligence review process may require the Management Plan to be expanded to include all former redevelopment agency properties, which would ultimately be Plan – Part 2.

⁴ Health and Safety Code Section 34181(a).

- ✓ Estimated Value: \$1.300 million
- ✓ Zoning: Planned Development No. 89-4
- ✓ General Plan: Shopping Center Designation
- ✓ Specific Plan: Burbank Center Plan
- ✓ Lease Revenues: \$0
- ✓ Environmental History: Elevated levels of Total Recoverable Hydrocarbons (TRH) at underground storage tank location that was remediated
- ✓ Planning Objectives: Consistent with zoning, Specific Plan, and General Plan
- ✓ History: Undeveloped prior to 1908
School Site (1908 -1986)
Vacant/Under Construction (1986 – 1990)
IKEA Furniture Store (1990 – present)
- ✓ Proposed Disposition: Sale to private party for fair market value as determined by two independent appraisals

PROPOSED TRANSACTION TERMS

The proposed Agreement is the first real estate transaction considered by the Burbank Oversight Board. The salient terms and conditions of the sale are outlined as follows:

- ✓ Purchase Price: \$1.300 million
- ✓ Land Area: 6.38 acres
- ✓ Deposit: \$50,000
- ✓ Duration of Escrow: Escrow may open at any time after approval of the Agreement. Escrow shall close on the date which is between 15 and 60 days after NSFB receives written notice from the Successor Agency that the DOF has issued a "Finding of Completion", pursuant to Section 34179.7 of the Government Code
- ✓ Title Insurance: NSFB to purchase title policy covering the full amount of the purchase price
- ✓ Condition of Title: Successor Agency would convey by grant deed, which includes all rights, title, and interest in the Property, including Lessor's interest in IKEA's ground lease

In an effort to determine the fair market value, both the City⁵ and NSFB commissioned appraisals of the Property. NSFB's appraisal established a fair market value of \$1.100 million and the City's appraiser concluded that the Property had a fair market value of roughly \$1.462 million. In an attempt to reach common ground, staff is recommending a negotiated sales price of \$1.300 million (the relative mid-point of the fair market value range, having been established by the two independent appraisals).

The two appraisals used to establish the fair market value range gave specific consideration to the fact that IKEA has 72 years remaining on the Lease that requires no rental payments. The remaining term of the Lease and the negligible revenue generated

⁵ Initially the City's position was that it owned the Property, but due to title issues, the City has abandoned that theory with respect to this Property due to the urgency of the transaction.

significantly reduces the value of the Property compared to similar properties that are unencumbered or to similar properties encumbered with long-term (with fair market rental revenue) leases. Both appraisals contemplated the current value, the estimated future value, and escalation and discount rates, all based on the terms of the existing encumbrance of the IKEA Lease. Additionally, both appraisals used similar escalation and discount rates. It is for these reasons that the proposed sales amount of \$1.300 million is within the range of fair market value (\$1.100 to \$1.462 million as established by two independent appraisals). Exhibit D highlights the results of the NSFB appraisal and establishes a fair market value of \$1.100 million. Exhibit E is a letter from the City's appraiser, highlighting the fair market value conclusion of \$1.462 million.

ANTICIPATED BENEFITS OF SALE

In addition to the immediate cash infusion of land sale proceeds, which will be generated for taxing entities, there are a number of other benefits that could also be considered, including but not limited to:

- ✓ Retention of a major sales tax generator in the City and County;
- ✓ Retention of local jobs;
- ✓ Proposed IKEA expansion at the new location is anticipated to yield much higher property tax revenue, as well as increased sales tax generation, which will benefit taxing entities in Los Angeles County

All of these benefits closely align with the goals and objectives of not only the City, but the County and State as well. Business retention, job retention, and job creation all lend to economic stability and sustainability. Should the Oversight Board approve the sale of the Property to NSFB, the action will become effective within five business days after noticing the DOF of the Board's action, unless the DOF calls for additional review. Again, however, the sale/transfer of the property may not occur until the Successor Agency receives its Finding of Completion, which preserves the provisions of the laws governing the unwinding of redevelopment agencies (AB 1484).

FISCAL IMPACT

The sale of the Property from the Successor Agency to NSFB will generate \$1.300 million in land sales proceeds which will be distributed to taxing entities. As of the writing of this report, the Los Angeles County Auditor-Controller's Office cannot define the exact distribution of funds. However, based on historical data related to former RDA distributions, staff suggests a possible distribution as follows (but again the County cannot provide definitive information, nor can they confirm staff's "best guess" distribution):

<u>Taxing Entity</u>	<u>% Distribution</u>	<u>Proceeds</u>
Public Education	42%	\$546,000
Los Angeles County	33%	\$429,000
City of Burbank	18%	\$234,000
Community College District	3%	\$39,000
<u>Multiple Entities</u>	<u>4%</u>	<u>\$52,000</u>
Total	100%	\$1,300,000

CONCLUSION

The Oversight Board is being asked to approve a Resolution approving the sale of the Property for \$1.300 million, which has been established as the fair market value of the site. This requested action will help facilitate a significant economic development opportunity for the benefit of the City and County. In addition, the disbursement of land sale proceeds would provide immediate monetary benefit to taxing entities.

Staff recommends that that Oversight Board adopt the Resolution approving the proposed Plan – Part 1. Staff also recommends the Oversight Board adopt the Resolution approving the Purchase and Sale Agreement between the Successor Agency and NSFB for the sale of the Property as described herewith.

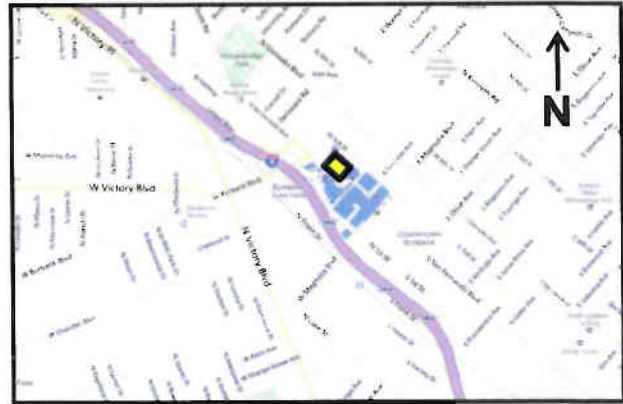
EXHIBITS

- A - Resolution Approving Plan – Part 1
 - A.A - Plan – Part 1
- B - Property Map
- C - Resolution Approving Purchase and Sale Agreement
 - C.A - Purchase and Sale Agreement
- D - Excerpt from NSFB Appraisal
- E - Letter from City's Appraiser

EXHIBIT A.A
LONG RANGE PROPERTY MANAGEMENT PLAN
PART 1
600 North San Fernando Boulevard

Long-Range Property Management Plan – Part 1

600 N. San Fernando Boulevard



Acquisition & Valuation

Date of Acquisition¹:

Unknown

Value of Property at time of Acquisition²:

Unknown

Estimate of Current Value of Property³:

\$1,300,000

Reason for Original Acquisition:

Development of Regional Shopping Mall

Lot Size (SF):

277,913

Land Use

Zoning:

Planned Development No. 89-4

General Plan Designation:

Shopping Center

Specific Plan:

Burbank Center Plan

Lease Information

The site currently generates \$0 in rent⁴, per the terms of the ground lease, which is also subject to a Construction, Operation and Reciprocal Easement Agreement by and among the ground lessee of the Burbank Town Center and several major retail tenants.

¹ The exact date of the original acquisition of the site is unknown at this time. Based on historical uses provided in a Summary Report dated July 17, 1990, it is assumed that the acquisition occurred in 1986. Staff is working with the school district (previous owner) and its title company to obtain the Grant Deed to confirm the exact date. When the date is identified, an addendum to this plan will be issued.

² The site is the present location of IKEA, which was part of a larger 41-acre land acquisition for the development of the Burbank Town Center, the regional shopping mall. Total assembly costs, inclusive of the IKEA property and the Burbank Town Center property, were \$51,948,000.

³ The estimate of the current property value is based on two appraisals that were prepared to establish the fair market value range. Both appraisals gave specific consideration to the fact that IKEA has 72 years remaining on the ground lease for this site that requires no rental payments. The remaining term of the ground lease and the negligible revenue generated significantly reduces the value of the Property compared to similar properties that are unencumbered or to similar properties encumbered with long-term (with fair market rental revenue) leases. Both appraisals contemplated the current value, the estimated future value, and escalation and discount rates, all based on the terms of the existing encumbrance of the ground lease. Additionally, both appraisals used similar escalation and discount rates. It is for these reasons that the estimated current fair market value is \$1.300 million, within the range of fair market value (\$1.100 to \$1.462 million as established by two independent appraisals). Exhibit A highlights the results of the first appraisal and establishes a fair market value of \$1.100 million. Exhibit B is a letter from the City's appraiser, highlighting the fair market value conclusion of \$1.462 million.

Long-Range Property Management Plan – Part 1

600 N. San Fernando Boulevard

Environmental History

A Site Summary Report dated July 17, 1990 identified the existence of one 1,000-gallon underground storage tank and three cesspools. The three cesspools had non-detectable contamination levels. Soil testing of the area around the storage tank identified elevated levels of Total Recoverable Hydrocarbons (TRH). During the tank removal process, 17 cubic feet of soil were removed and disposed of offsite. An Underground Tank Closure Report for this tank was prepared on December 6, 1989. Subsequent soil sampling showed non-detectable levels of contamination present at the site.

Transit-Oriented Development Potential & Advancement of Planning Objectives

The current use of the site is consistent with the land use designation and goals, objectives and policies of the Burbank Center Plan, the specific plan for the Downtown area of the City. These include: cohesive design to improve the appearance of arterial streets; enhanced streetscape plan for the Burbank Center Plan area; retaining regional draw through the provision of diverse shopping and entertainment activities; maintaining a pedestrian friendly environment, and maintaining employment opportunities. The use of the property is also consistent with the development standards that were approved under Planned Development No. 89-4⁵ (which among other things provides common parking for the IKEA site with the adjacent Burbank Town Center site) and with the General Plan designation for the area.

History of Development Activity

The site was undeveloped prior to 1908 and served as the location of a high school and intermediate school between the years 1908 and 1986. Between 1986 and 1990, the site was vacant and/or under construction. On November 15, 1989, the former redevelopment agency entered into a Disposition and Development Agreement (DDA) with the then developer of the adjacent indoor shopping mall, Haagen-Burbank Partnership, whereby the developer agreed to develop a shopping mall, and related adjacent developments. As part of that DDA, the former redevelopment agency agreed to enter into the previously mentioned ground lease with IKEA.

Proposed Disposition

The proposed disposition of the site is pursuant to a negotiated sale to a private party at an amount equal to the fair market value determined by two independent appraisals.

⁴ Pursuant to the terms of the IKEA ground lease, if IKEA met certain sales tax thresholds, then it was not obligated to pay rent in any given year. IKEA has always met those thresholds. Furthermore and pursuant to the ground lease, IKEA does not have to pay any rent now or for the next 72 years. Lessee is responsible for property taxes and utilities.

⁵ In the City of Burbank, Planned Developments are similar to specific plans in that they allow for specific uses and development standards in that zone. This Planned Development Zone originally authorized the development of a mixed-use regional shopping center, commercial office, and hotel development.

Long-Range Property Management Plan – Part 1

600 N. San Fernando Boulevard

Exhibits

A – Excerpt from Appraisal Document

B – Letter from City's Appraiser (Regarding Second Appraisal)

EXHIBIT A

Excerpt from Appraisal Document (Buyer)

600 North San Fernando Boulevard

CONCLUSION

The market value of the leased fee interest is all in the reversionary value. We calculated the reversionary value by inflating the current land value (\$38 PSF) over the term of the lease, and discounted it by 6.25%. After discounting, the present value of the reversionary value is estimated at \$1,100,000.

MARKET VALUE CONCLUSION	
Discount Rate Assumption	6.25%
Concluded Land Value PSF	\$38.00
Land Area	<u>277,978</u>
PV Land Value	\$10,583,164
Growth (1.03% ^ 73 Yrs)	<u>8.65</u>
Reversion Value - YR 2084	\$91,392,683
Less: Cost of Sale (2%)	<u>\$1,827,854</u>
Net Reversion Value - YR 2084	\$89,564,829
Discounted Reversion Value	\$1,071,828
Rounded	<u>\$1,100,000</u>

EXHIBIT B

Letter from City's Appraiser

600 North San Fernando Boulevard



October 30, 2012

****VIA E-MAIL ONLY****

Ruth Davidson-Guerra
Assistant Community Development Director
City of Burbank
150 N. Third Street, 2nd Floor
Burbank, CA 91502
rdavidson@ci.burank.ca.us

Re: The Appraised Value of the City of Burbank's Leased Fee Interest in the Town Center Mall Site as of April 12, 2011

Dear Ms. Davidson-Guerra:

In our telephone discussion on October 30, 2012 we discussed an appropriate way to estimate the value of that portion of the Town Center site occupied by IKEA, based on our 2011 opinion of value. The IKEA improvements are situated on parcel 2460-023-044 which has an area of 277,913 square feet which represents approximately 17.2% of the Town Center site. In our appraisal, we stated that the value of the City's interest in the Town Center site was \$8,500,000.

Therefore, as an approximate indicator of value it would be appropriate to apply IKEA's percentage to the total value of the site as follows:

$$17.2\% \times \$8,500,000 = \$1,462,000 \text{ as of April 12, 2011}$$

Sincerely yours,

A handwritten signature in black ink, appearing to be 'J. Griffey', written over a dark, rectangular background.

John J. Griffey
President

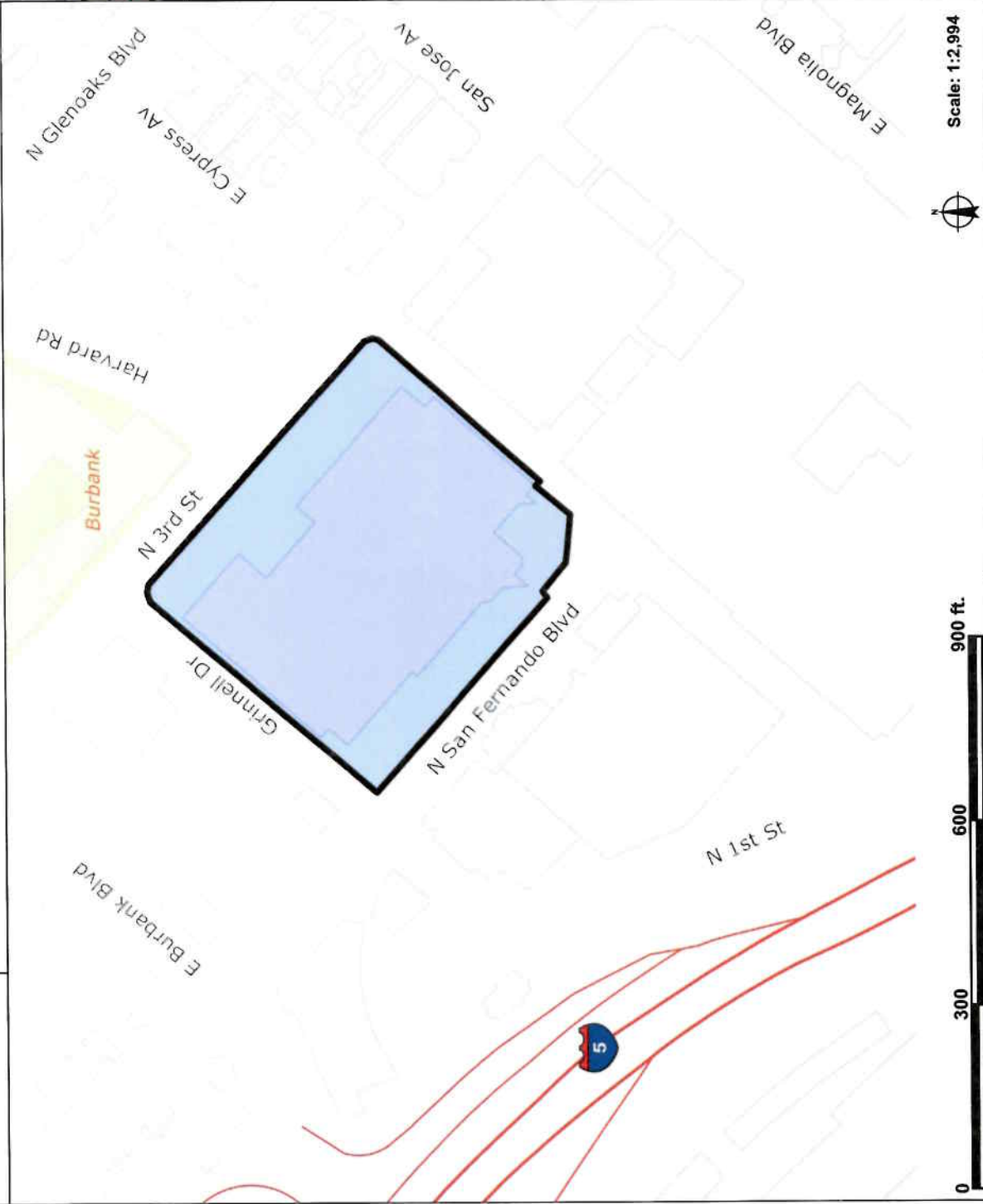
JG:SA



Exhibit B - Property Map



- Legend**
- Freeways
 - Railroads
 - Streets
 - Buildings
 - Golf Courses
 - Studios
 - Parks
 - Airport
 - Airport Boundary
 - Schools



This map is intended for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

EXHIBIT C.A
PURCHASE AND SALE AGREEMENT
600 North San Fernando Boulevard

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (hereinafter this "Agreement") is entered into as of [DATE] by and between the Successor Agency to the Redevelopment Agency of the City of Burbank (the "Seller" or the "Successor Agency"), and 600 NSFB, LLC, a Delaware Limited Liability Company (the "Buyer").

Recitals

A. The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Burbank ("Oversight Board") has been established to direct the Successor Agency to the Redevelopment Agency of the City of Burbank ("Successor Agency") to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Burbank ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as Chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26.

B. The Successor Agency is the owner of certain real property located at 600 N. San Fernando Boulevard, Burbank, CA, containing approximately 6.38 acres together with Seller's right, title and interest, if any, in and to any and all improvements located on such real property (referred to, collectively, as the "Property"), and more particularly described on the map attached hereto as Exhibit "A" and particularly described in the "Legal Description of the Property," attached hereto as Exhibit "B" and incorporated herein by this reference. The Property is adjacent to the Burbank Town Center Mall.

C. The Successor Agency leases the Property to Ikea Property, Inc. ("IKEA") in accordance with a Ground Lease Agreement (the "Ground Lease Agreement"), originally dated November 15, 1989, and executed by and between the former Redevelopment Agency of the City of Burbank (the "Redevelopment Agency") and IKEA. A copy of the Ground Lease Agreement is attached hereto as Exhibit "C". The Ground Lease further incorporates the Construction, Operation, and Reciprocal Easement Agreement by and among Burbank Haagen Partnership, Sears, Roebuck, and Co. Mervyn's, and Ikea Properties Inc., which among other things, establish easements over said Property (as amended, restated and supplemented, the "REA").

D. The Buyer desires to purchase the Property, and all rights, benefits, easements and appurtenances thereto, including, without limitation, any and all rights relating to the Ground Lease and the REA.

NOW, THEREFORE, THE BUYER AND THE SELLER HEREBY AGREE AS FOLLOWS:

1. Agreement to Sell and Purchase. The Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, the Property, upon the terms and for the consideration set forth in this Agreement. The sale of the Property includes an assignment and transfer of the Ground Lease Agreement as set forth in this Agreement.

2. Purchase Price. The total purchase price (the "Purchase Price") for the Property shall be One Million Three Hundred Thousand Dollars (\$1,300,000.00).

3. Deposit Within three (3) business days after the Commencement Date (as defined below), Buyer shall deposit cash in an amount equal to Fifty Thousand Dollars (\$50,000.00) (the "Deposit") with Escrow Agent (as defined below). The Deposit and any interest earned thereon shall be applied against the Purchase Price. Escrow Agent shall disburse the Deposit with interest to Buyer or Seller, as applicable, in accordance with the terms of this Agreement. In the event the Close of Escrow (as defined in Section 4(a) below) does not occur solely because of a default by Buyer hereunder beyond any applicable notice and cure period, Seller shall be entitled to the Deposit and any interest as its sole and exclusive remedy pursuant to the terms of Section 13 below. In the event that the conditions precedent set forth in Section 6 below have not been satisfied by Seller or waived in writing by Buyer before the Close of Escrow or as otherwise specified in the Agreement, unless the Close of Escrow does not occur solely as a result of Buyer's default beyond any applicable notice and cure period, the Deposit and any interest thereon shall be returned to Buyer without demand, deduction or offset. Notwithstanding anything to the contrary in this Agreement, unless this Agreement is terminated solely as a result of any default by Buyer beyond any applicable notice and cure periods, the Deposit and any interest earned thereon shall remain fully refundable to Buyer.

4. Escrow. The Buyer and the Seller have agreed to open an escrow (the "Escrow") with Chicago Title Insurance Company or another mutually agreed upon escrow company (the "Escrow Agent") within three (3) business days following execution of this Agreement by the parties (the "Commencement Date"). This Agreement constitutes the joint escrow instructions of the Seller and the Buyer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent along with any additional escrow instructions in writing which are in conformity with this Agreement and which are mutually satisfactory to both parties. The Seller, through the Assistant Community Development Director of the City of Burbank (the "City"), who is authorized through Burbank City Council Resolution No. 28,500 to administer the responsibilities of the Successor Agency, and Buyer agree to promptly execute any such escrow instructions consistent with the terms of this Agreement which Escrow Agent may reasonably request. The Escrow Agent is hereby empowered to act under this Agreement and shall carry out its duties as Escrow Agent hereunder. The Assistant Community Development Director of the City has administrative authority on behalf of Seller to make non-substantive amendments to this Agreement.

The Buyer shall pay in escrow one-half of all fees, charges and costs connected with the Escrow excluding documentary transfer taxes, which shall be paid by Seller, at Seller's sole expense. Seller shall pay in escrow one-half of all fees, charges, and costs connected with the Escrow. Seller shall pay all documentary transfer taxes. Notwithstanding the foregoing, in the event that the Close of Escrow does not occur as a result of the default of either Buyer or Seller, the defaulting party shall pay all of the charges and costs in connection with the Escrow, including without limitation the amount of any cancellation charges.

a. Duration. Subject to the satisfaction or waiver in writing by Buyer (in Buyer's sole and absolute discretion) of the conditions set forth in Section 6, Escrow shall close on the date which is sixty (60) days after Buyer receives written notice from Seller that the conditions set forth in Section 6.2(b) below (the "Oversight Condition") and 6.2(c) below (the "FOC Condition") have each been timely satisfied (the "Close of Escrow"); provided that, following satisfaction of the Oversight Condition and the FOC Condition, Buyer may (but shall not be obligated to) accelerate the Close of Escrow to a date that is no earlier than fifteen (15) days after written notice from Buyer to Seller. Seller shall promptly provide written notice to Buyer of any approval or disapproval or other decision by the Oversight Board and/or the Department (as defined in Section 6.2(b) below). The Assistant Community Development Director has the authority to administratively extend the Close of Escrow, on behalf of the Seller if the Seller and Buyer agree in writing to do so hereunder.

If the Oversight Board and/or the Department fails to approve the transactions contemplated by this Agreement, but indicates that it would approve such transactions upon other terms and conditions in accordance with applicable laws, then Buyer may, in its sole and absolute discretion, either (1) agree to the revised terms and conditions, in which event the parties shall proceed to the Close of Escrow in accordance with this Agreement, or (2) terminate this Agreement, in which event the Deposit and all interest earned thereon shall be immediately returned to Buyer, and neither party shall have any further rights or obligations hereunder except those that survive termination pursuant to the terms of this Agreement.

b. Deliveries of Documents and Funds into Escrow. No later than one (1) business day prior to the Close of Escrow, as such date may be extended by mutual agreement of the parties, or as otherwise provided herein, the parties shall make the following deposits into Escrow:

- (i) The Seller shall deposit a duly executed and acknowledged grant deed conveying fee simple title to the Property to Buyer (the "Grant Deed"), an assignment of ground lease duly executed and acknowledged by Seller assigning to Buyer all of Seller's right, title and interest in and to the Ground Lease Agreement (the "Assignment of Ground Lease") and a general assignment duly executed by Seller

(the "General Assignment") in the form attached hereto for each as Exhibits "D", "E" and "F" respectively;

- (ii) Buyer shall deposit the Purchase Price, after deducting both the Deposit plus any interest accrued thereon, all credits under this Agreement, and as adjusted by the costs, expenses and prorations set forth in this Agreement, the Assignment of Ground Lease duly executed and acknowledged by Buyer, and the General Assignment duly executed by Buyer, and
- (iii) The parties shall deposit any and all other documents as may reasonably be required by Escrow Agent or the Title Company (as defined below) to close the Escrow in accordance with this Agreement.

c. Close of Escrow. At the Close of Escrow, the Escrow Agent shall record the Grant Deed and Assignment of Ground Lease in the public land records in the Office of the County Recorder for Los Angeles County, shall deliver the balance of Purchase Price (as reduced by both the Deposit plus any interest accrued thereon, before adjusted by the costs, expenses and prorations to be paid by Seller as set forth in this Agreement) to the Seller and shall cause the Title Company to deliver to the Buyer a title insurance policy insuring title in conformity with Section 6 of this Agreement. In addition, the Escrow Agent is authorized to disburse funds and deliver the Grant Deed, the Assignment of Ground Lease, the General Assignment and other documents to the parties entitled thereto and to record any instruments delivered through this Escrow, if necessary or proper, to vest title in the Buyer in accordance with the terms and provisions of this Agreement.

5. Taxes and Assessments. Escrow Agent will prorate between the parties, to close of escrow, any general and special real estate taxes and assessments, based on the regular tax bill for the fiscal year in which escrow closes (or if such tax bill has not been issued as of the date of Close of Escrow, the regular tax bill for the fiscal year preceding that in which this escrow closes). In the event that a separate tax bill for the applicable property has not been issued, Escrow Agent shall apportion general and special real estate taxes and assessments based upon Seller's written apportionment statement. The parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment shall be made promptly in cash upon receipt of a copy of any such supplemental bill (or re-imbursement) of the amount necessary to accomplish such prorations. The obligations of the parties to make re-prorations post-Closing pursuant hereto based upon actual bills as and when received shall survive the Closing.

6. Inspection of Property; Conditions to Close of Escrow.

6.1 During the term of this Agreement, Seller shall allow the Buyer and its

representatives and designees access to the Property as necessary for inspection thereof and to conduct all due diligence activities. The **"Due Diligence Period"** shall commence on the mutual execution of this Agreement and end at 5:30 pm Los Angeles time on the date that is two (2) business days prior to the Close of Escrow. In addition, at any time during the term of this Agreement, Buyer and its representatives and designees shall have the right of access to the Property during normal business hours upon no less than one (1) business day's advance notice to Seller and IKEA (and Buyer and Seller shall reasonably schedule and coordinate with IKEA in connection with such access, including so as not to interfere with any rights under the Ground Lease that IKEA may have) to make such investigations, studies and tests including surveys and engineering studies as Buyer deems necessary or advisable (in Buyer's sole and absolute discretion), provided, however, that Buyer shall not be permitted to conduct invasive testing without Seller's prior written consent, which consent may not be unreasonably withheld or delayed by Seller. Buyer shall repair any damage to the Property caused by Buyer's inspections and tests, but under no circumstances shall Buyer be responsible for any preexisting conditions on or relating to the Property, or any negligence or willful misconduct of Seller, the City or IKEA, or any of their respective representatives, agents, employees, contractors or subtenants. If Buyer disapproves the conditions of the Property, or the results of any investigations, studies and/or tests conducted by Buyer during the Due Diligence Period (which Buyer may approve or disapprove in its sole and absolute discretion, for any reason or for no reason), Buyer may terminate this Agreement by written notice to Seller, in which event the Deposit and all interest earned thereon shall be immediately returned to Buyer without the need for any further instruction and notwithstanding any contrary instruction from Seller, and all obligations of Buyer and Seller shall be null and void except for those matters expressly set forth herein to survive termination. Subject to Section 6.2, the failure of Buyer to terminate this Agreement under this Section 6.1 prior to the end of the Due Diligence Period shall be deemed an election by Buyer not to terminate this Agreement pursuant to this Section 6.1. The cost of any such inspections, tests and studies shall be borne by Buyer.

Buyer shall obtain or cause its consultants to obtain (and provide evidence to Seller), at Buyer's sole cost and expense, prior to commencement of any activities (whether invasive or non-invasive) on the Property under this Agreement, a customary policy of commercial general liability insurance with respect to or arising out of any investigative activities by, for or on behalf of Buyer under this Agreement and naming the Seller and IKEA as an additional insured, which policy shall be kept and maintained in force on an occurrence basis during Buyer's due diligence activities on the Property under this Agreement. Said insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1 million per occurrence with an annual aggregate of not less than \$2 million. Buyer hereby agrees to defend, indemnify and hold Seller and IKEA harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation reasonable attorneys' fees and costs of experts and consultants) to the extent caused out of any investigative activities of Buyer or its agents or

representatives on the Property, however the foregoing indemnity shall not include, and Buyer shall not be responsible for, any preexisting conditions on or relating to the Property, or the negligence or willful misconduct of Seller, the City or IKEA, or any of their respective representatives, agents, employees, contractors or subtenants. Buyer shall not allow any mechanics liens to attach to the Property or IKEA's interest in the Property as a result of its due diligence activities under this Agreement, and Buyer shall cause any such liens to be released, by bond or otherwise, within 15 days after the filing thereof.

6.2 The Buyer's obligation to acquire the Property, and the Close of Escrow, shall, in addition to any other condition set forth herein, be conditional and contingent upon the satisfaction, or waiver in writing by the Buyer (except as to Section 6.2(b) which may not be waived by Buyer) (in Buyer's sole and absolute discretion), of each and all of the following conditions (hereinafter collectively referred to as the "Buyer's Conditions"):

a. Preliminary Title Approval.

(i) The Buyer, in its sole and absolute discretion, shall have approved those covenants, conditions, restrictions, rights-of-way, easements, reservations and other matters of record disclosed in (i) a preliminary title report (hereinafter referred to as the "Preliminary Title Report") issued by Chicago Title Insurance Company (the "Title Company") that Buyer shall promptly obtain from the Title Company after the mutual execution and delivery of this Agreement, and (ii) all legible copies of the documents of record creating exceptions disclosed in the Preliminary Title Report and which Preliminary Title Report shall be prepared at Seller's cost and expense up to that amount required for a CLTA Owner's Title Insurance Policy; Buyer shall pay the difference incurred for the purchase of an ALTA Owner's Title Insurance Policy if so desired by Buyer, which Escrow Agent shall cause to be prepared and delivered. Any specific endorsements required by Buyer shall be paid for by Buyer.

(ii) If the Buyer fails, within ten (10) business days after receipt of the Preliminary Title Report and copies of all underlying documents referenced therein (the "Objection Period"), to disapprove (in Buyer's sole and absolute discretion) any matter disclosed therein, by written notice to the Seller then such matter shall be deemed approved by the Buyer (other than Must Cure Matters, as defined below). In the event the Buyer disapproves any matter disclosed by the Preliminary Title Report, or underlying document copies, the Buyer shall notify the Seller in writing of such disapproval within the Objection Period and the Seller shall have thirty (30) days from receipt of such disapproval (but in no event later than 5 business days prior to the Close of Escrow) to remove the disapproved matter, subject to subsection (v) below. The Seller's failure to remove such disapproved items (other than Must Cure Matters), for any reason whatsoever, shall not be considered or deemed to be a default under, or breach of, the terms of this Agreement. All Redevelopment Agency matters (DDA and

various Implementation Agreements) and zoning matters related to Planned Development Zone No. 89-4, as amended, are automatically permitted.

(iii) If the Seller is successful in removing prior to the date that is five (5) business days prior to the Close of Escrow all disapproved matters and Must Cure Matters, the Preliminary Title Report and underlying document copies shall then be deemed approved.

(iv) Subject to subsection (v) below, if (A) the Seller does not agree to remove all disapproved matters within thirty (30) days from receipt of such disapproval (but in no event later than 5 business days prior to the Close of Escrow), or (B) the Seller is not successful in timely removing all disapproved matters by such date, the Buyer shall have five (5) business days from the date the Seller notifies the Buyer in writing that the Seller will not attempt to remove or cannot remove disapproved matters (the "Acceptance Period"), to either terminate this Agreement, in which event the Deposit and all interest earned thereon shall be immediately returned to Buyer (less its portion of escrow costs), notwithstanding any contrary instruction by Seller, or agree to accept title to the Property subject to the disapproved matters.

(v) If the Buyer does not notify the Seller in writing within the Acceptance Period, of its willingness to accept title to the Property subject to those matters (other than Must Cure Matters) Seller cannot or will not remove, the Buyer shall be deemed to have elected not to terminate this Agreement under this Section 6.2(a) as a result of the title matter in question. The exceptions to title that the Buyer approves, or is deemed to have approved under this Subparagraph a., shall be referred to as "Permitted Title Exceptions". Notwithstanding anything to the contrary herein, prior to the Close of Escrow, the Seller shall be obligated, at the Seller's sole cost and expense, to eliminate and remove as a lien and encumbrance from title to the Property, and Buyer hereby objects to, all monetary liens and encumbrances (including, without limitation, all mortgages, deeds of trust, mechanics' liens and delinquent taxes), and any matters created or caused by or on behalf of Seller, or for which Seller is otherwise responsible, whether arising after the issuance of, or otherwise not disclosed by, the Preliminary Title Report, and Seller agrees to cause all such liens and encumbrances to be eliminated at Seller's sole cost (collectively, "Must- Cure Matters") prior to the Close of Escrow and under no circumstances shall any such liens or encumbrances be deemed "Permitted Title Exceptions". The Seller agrees to provide the Title Company with all such documents as may be reasonably required by Title Company to remove all Must Cure Matters from the Title Policy, including, but not limited to, any reasonable and customary owner's statements and lien affidavits.

b. Oversight Board Approval. The oversight board of the Successor Agency established pursuant to Section 34179 of the Health and Safety Code of the State of California (the "Oversight Board") and the Department of Finance of the State of California (together with any other agency or department that may have jurisdiction over the decisions of the Oversight Board, individually and collectively, the "Department") shall have each unconditionally, irrevocably and finally (without being

subject to appeal) approved the transactions contemplated by this Agreement (without modification or condition), in accordance with and to the extent required by applicable law. Buyer may not waive satisfaction of this condition.

c. Finding of Completion. The Department shall have issued a "finding of completion" to the Successor Agency in accordance with Section 34179.7 of the California Health and Safety Code.

Seller hereby agrees to use all reasonable efforts to cause the Oversight Condition to be satisfied as soon as possible, and to obtain all other requisite third-party consents and approvals and to take all other actions necessary to consummate the sale of the Property to Buyer upon the price and other terms and conditions set forth in this Agreement. Notwithstanding anything to the contrary in this Agreement, Seller acknowledges and agrees that it has agreed to sell the Property to Buyer on the purchase price set forth herein, subject only to satisfaction of the Oversight Condition and FOC Condition.

d. Title Policy. At the Close of Escrow, the Escrow Agent shall be irrevocably committed to issue at Seller's cost a CLTA Owner's Title Insurance Policy in the full amount of the Purchase Price, insuring fee simple title to the Property as being vested solely and exclusively in the Buyer upon the Close of Escrow, subject only to (i) the Permitted Title Exceptions, and (ii) Escrow Agent's Standard pre-printed CLTA Exceptions in the policy jacket issued with all of Escrow Agent's CLTA policies (the "Title Policy"). Buyer may request an ALTA Owner's Title Insurance Policy, with Seller paying that amount which would have been required for a CLTA Owner's Title Insurance Policy, and Buyer paying the difference.

e. Property Owner Business Improvement District. If the extension, modification, creation or renewal of the Downtown Property Based Business Improvement District, or any other similar financing district affecting the Property, including but not limited to an infrastructure financing district, or other assessment district, requires a vote of property owners from the Commencement Date through five years after Close of Escrow, Buyer agrees, on a one (1) time basis, with respect to the first (1st) such vote, if any, after the Commencement Date to affirmatively approve the formation of the extended Property based Business Improvement District whether property based or not, or any other similar financing district, and to participate in such district. Buyer shall execute a covenant to this effect prior to the Close of Escrow; the covenant shall be prepared by Buyer.

f. IKEA Estoppel Certificate. Buyer shall have received and approved in writing an estoppel certificate in the form attached hereto as Exhibit "G" with respect to the Ground Lease Agreement duly executed by IKEA and such estoppel certificate shall be certified to Buyer and such parties as Buyer shall designate and dated not more than thirty (30) days prior to the Close of Escrow. Without limitation, Buyer may disapprove such estoppel certificate if it indicates that the Ground Lease

Agreement is not in full force and effect, that a default exists thereunder, or IKEA alleges any claim, charge, defense or offset.

g. Seller Representations and Warranties. Seller shall have duly performed each and every agreement to be performed by Seller under this Agreement and Seller's representations and warranties set forth in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Close of Escrow with the same force and effect as if remade by Seller in a separate certificate at that time.

h. Seller's Deliveries. Seller shall have delivered the items to be delivered by Seller pursuant to the terms of this Agreement, including without limitation those described in Section 4 b.

i. No Material Adverse Change. As of the Close of Escrow, there shall have been (I) no material adverse change in the condition of the Property from that which was known to Buyer immediately prior to the expiration of the Due Diligence Period, and (II) no material adverse change in any applicable law or other governmental requirement, relating to the development of any portion of the Property which was effective immediately prior to the Commencement Date, and (III) no change or modification in, and no appeal or repeal or breach of, any governmental approval, consent, agreement or contractual obligation relating to the Property or any portion thereof from that which was known to Buyer immediately prior to the Commencement Date or the expiration of the Due Diligence Period.

If each of the conditions set forth in this Section 6 are timely satisfied or waived (except for the Oversight Condition, which may not be waived) by Buyer in writing in its sole and absolute discretion, then Buyer shall be obligated to proceed with the Close of Escrow subject to the terms and conditions of this Agreement. If any of the foregoing conditions set forth in this Section 6 are not timely satisfied or waived in writing by Buyer in Buyer's sole and absolute discretion (except for the Oversight Condition, which may not be waived), then, upon written notice delivered by Buyer (in Buyer's sole and absolute discretion), but without limiting Section 12 (Seller's Default), this Agreement shall terminate and the Deposit and any interest earned thereon shall be immediately returned to Buyer, notwithstanding any contrary instruction by Seller, and (i) each party shall execute such documents as Escrow Agent may reasonably require to evidence such termination, (ii) Escrow Agent shall return all documents to the party who deposited them, (iii) Escrow Agent shall charge its fees and expenses to both parties equally (provided that if the Close of Escrow does not occur as a result of the default of either Buyer or Seller, the defaulting party shall pay all of the charges and costs in connection with the Escrow, including without limitation the amount of any cancellation charges), (iv) unless this Agreement is terminated for a Seller default or breach of representation, warranty or covenant, Buyer shall return to Seller all documents delivered to it by Seller relating to the Property, and (v) subject to Section 12 (Seller's Default), all obligations of either party relating to this Agreement and the Property shall terminate except for those obligations that expressly survive a termination of this Agreement.

7. Condition of Title. The Seller shall convey by the Grant Deed to the Buyer fee simple title to the Property. Title shall be free and clear of all recorded and unrecorded liens, encumbrances, covenants, assessments, easements, leases and taxes, except as otherwise expressly approved by the Buyer in writing prior to the Close of Escrow. The Grant Deed shall be in the form attached hereto as Exhibit D. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT AND SUBJECT TO SELLER'S REPRESENTATIONS AND WARRANTIES AND COVENANTS CONTAINED IN THIS AGREEMENT AND ANY CLOSING DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, BUYER AGREES THAT BUYER WILL ACCEPT THE PROPERTY, IN ITS THEN CONDITION AS-IS AND WITH ALL FAULTS INCLUDING, WITHOUT LIMITATION, ANY FAULTS AND CONDITIONS SPECIFICALLY REFERENCED IN THIS AGREEMENT. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT OR ANY CLOSING DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OF CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO:

(I) THE VALUE OF THE PROPERTY;

(II) THE INCOME OR PROFIT TO BE DERIVED FROM THE PROPERTY;

(III) THE SIZE, DIMENSIONS OR ACREAGE OF THE PROPERTY;

(IV) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE WATER, WATER RIGHTS, AIR, SOIL, SUB-SOIL AND GEOLOGY;

(V) PARKING ORDINANCES, REGULATIONS AND REQUIREMENTS;

(VI) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS INCLUDING, BUT NOT LIMITED TO, THE ENDANGERED SPECIES ACT, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990 OR ANY OTHER LAW, RULE OR REGULATION GOVERNING ACCESS BY DISABLED PERSONS, CALIFORNIA HEALTH AND SAFETY CODE, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCES CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC

SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING;

(VII) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY;

(VIII) DEFICIENCY OF ANY DRAINAGE;

(IX) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE OR LOCATED IN AN ALQUIST-PRIOLO SPECIAL STUDY ZONE;

(X) COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT WITH RESPECT TO ANY IMPROVEMENTS;

(XI) WITH RESPECT TO ANY OTHER MATTER CONCERNING THE PROPERTY EXCEPT AS MAY BE OTHERWISE EXPRESSLY STATED HEREIN, OR DISCLOSED IN ANY DOCUMENTS DELIVERED BY SELLER TO BUYER FOLLOWING THE COMMENCEMENT DATE. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANYONE OTHER THAN SELLER. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS-IS" CONDITION AND BASIS WITH ALL FAULTS AS OF THE DATE OF THE CLOSE OF ESCROW, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR TO COMPENSATE BUYER FOR SAME EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN.

8. IKEA Assignment Consent. Seller hereby unconditionally and irrevocably consents to an assignment by IKEA of IKEA's right, title and interest under the Ground Lease Agreement to Buyer or an affiliate of Buyer. Seller shall from time to time, upon Buyer's request, execute such documents as Buyer reasonably deems necessary to confirm the preceding sentence. This Section 8 shall survive any termination of this Agreement and shall survive and not be merged with the Close of Escrow or the execution and delivery of the Grant Deed or the Assignment of Ground Lease.

9. Warranties. Seller hereby represents and warrants and covenants for the benefit of the Buyer that the following facts are true as of the date of this Agreement and will be true as of the Close of Escrow, and that Seller will not (and will cause the City to not) take any voluntary action or inaction to cause or permit such facts to become untrue in any material respect from the date of this Agreement to the date of the Close of Escrow:

a. Neither Seller nor the City is in material default under the terms of any agreement or instrument pertaining to the Property and, to the best knowledge and belief of Seller, no event occurred that will constitute a default under such agreement or instruments following the passage of time. The Ground Lease Agreement is in full force and effect, enforceable in accordance with its terms, and has not been modified,

changed, altered or amended in any respect, and is attached hereto as Exhibit C. The lease attached hereto as Exhibit C is a true, correct and complete copy of the Ground Lease Agreement. There exists no breach or default, nor state of facts nor condition which, with notice, the passage of time, or both, would result in a breach or default on the part of either Seller, the City or IKEA under the Ground Lease Agreement and no claim, controversy, dispute, quarrel or disagreement exists between the Seller (or the City) and IKEA, and IKEA does not have any claim, charge, defense or offset against the Seller or the City under the Ground Lease Agreement. Seller shall not terminate, extend, renew, modify, change, alter or amend the Ground Lease Agreement in any respect without the prior written consent of Buyer in Buyer's sole and absolute discretion.

b. During the term of this Agreement, (i) Seller will not, without the prior written consent of the Buyer which consent will not unreasonably be withheld, enter into any new maintenance or service contract affecting the property which cannot be terminated on notice of thirty (30) days or less at no cost, and (ii) Seller will not (and Seller shall cause the City to not) subject the Property to any new occupancy agreement, mortgage, deed of trust, lien, encumbrance, claim charge, equity covenant, condition, or restriction, easement right-of-way or similar matter affecting the Property.

c. Seller shall inform the Buyer of any material adverse change in the condition of the Property, or any representation or warranty made by Seller that becomes untrue in any material respect, known by Seller or the City from a source other than Buyer which occurs at any time after the execution hereof and prior to the date of the Close of Escrow. Notification shall occur immediately if reasonably possible, otherwise no later than five (5) days after knowledge of the adverse change.

d. Neither Seller nor the City has caused or knows of any condition on Property which has caused the Property to be in violation of any federal, state, or local law or ordinance, or regulations relating to industrial hygiene, or to the environmental conditions on, under or above the Property.

e. There are no notices or orders to repair or abate any building code violations at the Property known to Seller or the City.

f. There is no litigation or eminent domain proceeding against, or involving either the Property or the building known to Seller or the City.

g. Seller has disclosed to Buyer all building service contracts and any other similar documents affecting the Property.

h. The title conveyed will not be encumbered by any easements, or other rights not expressly permitted herein.

i. This Agreement and all other documents delivered by Seller prior to or on the Close of Escrow, (i) have been and will be authorized, executed and

delivered by Seller; (ii) are binding obligations of Seller; and (iii) do not violate the provisions of any law, governmental regulation or order, or agreement to which Seller is a party. Seller owns the Property of record and has the right, power and authority to sell the Property to Buyer in accordance with this Agreement.

j. Seller is the sole owner (including, without limitation, of record) of one hundred percent (100%) of the Property, and any prior transfer of the Property (or any portion thereof) to the City has been reversed of record such that Seller is the sole fee simple owner of the Property.

These representations and warranties shall be reaffirmed at the Close of Escrow and shall survive and not be merged with the Close of Escrow or the execution and delivery of the Grant Deed or the Assignment of Ground Lease. Buyer's obligation to perform is subject to the satisfaction of the aforementioned representations warranties and covenants or a written waiver of the same by Buyer (in Buyer's sole and absolute discretion).

10. Intentionally Omitted.

11. Buyer warranties: Buyer represents and warrants that this Agreement and all other documents delivered by Buyer prior to or on the Close of Escrow, (i) have been or will be authorized, executed, and delivered by Buyer; (ii) are binding obligations of Buyer; and (iii) do not violate the provisions of any agreement to which Buyer is a party. Buyer further represents that Buyer is a duly organized and existing under the law of the State of Delaware, with its principal place of business in Orange County State of California.

12. Seller's Default. In the event that the Seller does not tender conveyance of title to the Property in the manner, condition and time provided in this Agreement, Seller shall use its best efforts to do so as promptly as possible, and if any such failure is not cured within ten (10) days after written demand by the Buyer, then this Agreement may, at the option of the Buyer (in its sole and absolute discretion), be terminated by written notice thereof to the Seller, and the Deposit and all interest earned thereon shall be immediately returned to Buyer without the need for further instruction and notwithstanding any contrary instruction by Seller. This remedy shall be in addition to any and all rights or remedies Buyer may have under this Agreement, at law or in equity upon Seller's breach of its obligations hereunder, including, but not limited to specific performance. In addition, prior to the Close of Escrow, and notwithstanding the pendency of this Agreement, the entire risk of loss or damage by condemnation (whether total or partial), earthquake, flood, landslide, fire or other casualty shall be borne and assumed in accordance with the Ground Lease Agreement. If, prior to the Close of Escrow, any part of the Property is damaged or destroyed by earthquake, flood, landslide, fire or other casualty, or there is any material adverse change in the condition of the Property, Seller shall immediately notify Buyer, in writing, of such fact and Buyer shall have the option (in its sole and absolute discretion) to terminate this Agreement upon written notice to the Seller, and the Deposit and all

interest earned thereon (less escrow costs) shall be immediately returned to Buyer without the need for further instruction and notwithstanding any contrary instruction by Seller. If Buyer does not exercise this option to terminate this Agreement under the immediately preceding sentence then Buyer shall not have the right to terminate this Agreement pursuant to the immediately preceding sentence in connection with the casualty in question and the parties shall proceed to the Close of Escrow pursuant to the terms hereof.

13. Buyer's Default.

Right of Termination by Seller Prior to Conveyance. In the event that all of the conditions to Buyer's obligations to acquire the Property have been satisfied or waived by Buyer in writing in its sole and absolute discretion, and the Buyer does not pay the Purchase Price and take title to the Property under tender or conveyance by the Seller within the time provided in this Agreement, and any such failure is not cured within ten (10) days after written demand by the Seller, or, in the event such case cannot reasonably be cured within such ten (10) day period, commence such cure within ten (10) days after such written demand, then this Agreement may, at the option of the Seller, be terminated by written notice thereof to the Buyer. In the event of any other failure of Buyer to perform its obligations under this Agreement, Buyer shall not be deemed in default hereunder until five (5) days after Buyer's receipt of a written notice from Seller.

In the event the Close of Escrow and the consummation of the transaction herein contemplated does not occur as herein provided by any reason of a material default of Buyer under this Agreement beyond any applicable notice and cure period, Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages which Seller may suffer. Therefore Buyer and Seller do hereby agree that a reasonable estimate of the total net detriment that Seller would suffer in the event that Buyer so materially defaults and fails to complete the purchase of the Property is and shall be, as Seller's sole and exclusive remedy (whether at law or in equity), an amount equal to the Deposit (and, without limitation, in no event shall Seller have any right to seek and/or recover, and in no event shall Buyer have any liability for, speculative, special, consequential or punitive damages, and the provisions of this parenthetical shall survive the Close of Escrow and the execution and delivery of the Grant Deed and the Assignment of Ground Lease). Said amount shall be the full, agreed and liquidated damages for the default of this Agreement by Buyer beyond notice and cure, all other claims to damages or other remedies being herein expressly waived by Seller. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369, but is intended to constitute liquidated damages to Seller pursuant to California Civil Code Sections 1671, 1676 and 1677. Seller hereby waives the provisions of California Civil Code Section 3389. Upon a material default of Buyer under this Agreement beyond any applicable notice and cure period and termination of this Agreement as a result thereof, neither party shall have any further rights or obligations hereunder, each to the other,

except for any such right of Seller to collect such liquidated damages from Buyer and Escrow Agent.

Buyer's Initials

Seller's Initials

14. Intentionally Omitted.

15. Notices and Communications between the Parties. Formal notices, demands and communications between the Seller and the Buyer must be in writing and shall be deemed to have been properly given (i) if by facsimile, on the day of transmission so long as confirmation of such transmission is received before 5:30 p.m., Los Angeles, CA time on a day that is not a Saturday, Sunday, State or Federal legal holiday (and if transmitted after 5:30 p.m., Los Angeles, CA time, on the following business day), (ii) if by personal service, on the date of delivery, or (iii) if by delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, on the first business day after delivered to such delivery service, in each case addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice:

Seller: Successor Agency
275 East Olive Avenue
Burbank, CA 91502
Attention: Assistant Community Development Director
Fax: _____

With a copy to: Office of the City Attorney
275 East Olive Avenue
Burbank, CA 91502
Fax: (818) 238-5724

Buyer: 600 NSFB, LLC
18201 Von Karman Avenue,
Suite 950,
Irvine, CA 92612
Attention: Robert A. Flaxman and Wendy Huang, Esq.
Fax: (949) 862-1044

Written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time-to-time designate in writing.

16. Conflicts of Interest. Seller hereby represents that no member, official or employee shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this

Agreement which affects his or her personal interest or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

17. Assignment Rights. (a) Seller shall not have the right, power, or authority to assign this Agreement, or to delegate any duties or obligations arising under this Agreement, voluntarily, involuntarily, or by operation of law, without Buyer's prior written consent (in its sole and absolute discretion).

(b) Buyer's Right to Assign. Except as otherwise provided in this Agreement, Buyer shall have no right, power, or authority to assign this Agreement or to delegate any duties or obligations arising under this Agreement, voluntarily, involuntarily or by operation of law, without Seller's prior written approval (which approval shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, Buyer shall have the right, power, and authority, without the consent of the Seller, to assign this Agreement and all rights under this Agreement to any entity in which either or both of Robert A. Flaxman or Jaime Sohacheski has fifty percent (50%) or more of the voting rights. Any permitted assignee shall succeed to and assume all of the rights and obligations of Buyer and shall be substituted as the purchaser. No assignment shall be valid, however, until an assignment agreement has been delivered to Seller.

Binding on Successors. Subject to the provisions of this Agreement, the terms, conditions, covenants and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.

18. Distribution of Funds and Documents.

a. All cash received hereunder by Escrow Agent, if any, shall be, until the Close of Escrow, kept on deposit with other escrow funds in Escrow Agent's general escrow trust account(s), in any state or national bank or savings and loan association, and may be transferred to any other such general escrow account(s) or to interest bearing account(s) or into certificate(s) of deposit. No account shall exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) so that full FDIC protection is afforded to the parties.

b. All disbursements by Escrow Agent shall be made by checks of Escrow Agent or through wire transfer.

c. Escrow Agent will cause the County Recorder of Los Angeles County to mail the Buyer's Grant Deed (and each other document which is herein expressed to be, or by general usage is recorded) after recordation, to the grantee, beneficiary or person (a) acquiring rights under the said document, or (b) for whose benefit the said document was acquired.

d. Escrow Agent will, at the Close of Escrow, deliver by United States mail (or will hold for personal pickup, if requested) each nonrecorded document received hereunder by Escrow Agent, to the payee or person (a) acquiring rights under the said document, or (b) for whose benefit the said document was acquired.

e. Escrow Agent will, at the Close of Escrow, deliver by United States mail, or hold for personal pickup, if requested, or cause to be wire transferred, if requested, (a) to the taxing entities of the former Redevelopment Agency of the City of Burbank in the amounts and in accordance with instructions designated by Seller pursuant to applicable law and as directed by the Auditor-Controller of the County of Los Angeles, the cash, plus any proration or other credits to which Seller is entitled, less any appropriate prorations or such other charges, and (b) to the Buyer, or such other party designated by the Buyer, any excess funds theretofore delivered to Escrow Agent by the Seller.

19. Extent of Escrow Agent's Responsibilities.

a. Escrow Agent shall not be liable for any of its acts or omissions unless the same shall constitute negligence or willful misconduct.

b. Escrow Agent shall not be responsible for (a) the sufficiency or correctness as to form or the validity of any document deposited with Escrow Agent, (b) the manner of execution of any such deposited documents, unless such execution occurs in Escrow Agent's premises and under its supervision, or (c) the identity, authority or rights of any person executing any document deposited with Escrow Agent.

c. Recordation of any instruments delivered through the escrow, if necessary or proper in the issuance of the Title Policy, is authorized. No examination or insurance as to the amount of payment of personal property taxes is required.

d. Should Escrow Agent be acting as a Title Company, this Section 19 shall not apply to it in that capacity.

20. General Provisions.

a. In the event that either party commences litigation for the judicial interpretation, enforcement, termination, cancellation or rescission hereof, or for damages for the breach hereof, the prevailing party shall be entitled to its reasonable attorneys' fees (which shall include the allocated costs of attorneys' fees for services of in-house counsel) and costs incurred.

b. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

c. Time is of the essence to this Agreement.

d. The title and headings of the Sections in this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections, recitals, and the preamble shall, unless otherwise stated, refer to the Sections, Recitals, and Preamble of this Agreement. In construing this Agreement, the singular form shall include the plural and vice versa.

This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the agreement.

e. This Agreement, all attached exhibits, and all related documents referred to in this Agreement, constitute the entire agreement between the parties. There are no oral or parol agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.

f. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

g. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected.

h. No waiver or breach of any provision shall be deemed a waiver of any other provision, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

i. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution and delivery of this Agreement by Seller and Buyer. Facsimile and PDF signatures on this Agreement shall have the same force and effect as original ink signatures.

j. Buyer and Seller acknowledge that time is of the essence in satisfying the Oversight Condition and attempting to consummate the Close of Escrow pursuant to the terms and conditions of this Agreement. Buyer and Seller also desire and intend that the Rule Against Perpetuities not jeopardize this Agreement in any manner. Therefore, the sole purpose of this paragraph being to avoid any possible interpretation of this Agreement as violating the Rule Against Perpetuities, or any other rule of law or equity concerning restraints on alienation, if the Close of Escrow has not occurred within the Perpetuities Period (as defined below), this Agreement shall automatically terminate. The "Perpetuities Period" is defined as the Perpetuities Fixed Figure (as defined below) times the number of months constituting the Perpetuities Maximum Number (as defined below). The Perpetuities Maximum Number is twelve. Notwithstanding the foregoing, the parties acknowledge and agree that both parties desire that the Close of Escrow occur as soon as possible in accordance with the terms and conditions of this Agreement (time being of the essence), and, as set forth above, the sole purpose of this paragraph is to avoid any possible interpretation of this Agreement as violating the Rule Against Perpetuities, or any other rule of law or equity concerning restraints on alienation. The "Perpetuities Fixed Figure" is defined as twenty one, for purposes of this paragraph, although the parties again acknowledge and

agree that time is of the essence in this Agreement.

21. Nondiscrimination Covenants. The Buyer covenants by and for itself, its successors and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, familial status, disability, sexual orientation, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Buyer itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

22. Amendment. This Agreement shall not be altered or amended except by writing executed and approved by the parties. No such amendment shall be effective without the prior written approval of all parties.

Seller shall maintain authority of this Agreement and the authority to implement this Agreement through the Assistant Community Development Director (or their respective duly authorized representatives). The Assistant Community Development Director (or their respective duly authorized representatives) shall have authority to make approvals, issue interpretations, and execute documents, so long as such actions do not materially or substantially change the Agreement, or change the Purchase Price as specified herein, and such approvals and interpretations may include extensions of time. All other material and/or substantive interpretations, waivers, or any amendment shall require consideration, action and written consent of the Oversight Board to the Successor Agency.

23. 1031 Exchange. Seller hereby agrees to reasonably cooperate with Buyer and shall execute any and all documents necessary, in the form reasonably approved by Seller, which shall assign all of Seller's right, title and interest in and to this Agreement to an intermediary, which intermediary shall complete the sale/purchase of the Property, in order to accommodate a tax-deferred exchange for Buyer pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that in no event shall (i) either party hereto be required to incur any additional costs, expenses, obligations or other liabilities in connection with assisting Buyer with a tax-deferred exchange (other than any costs and expenses resulting from the review of exchange documents), (ii) such exchange delay or be a condition to the Close of Escrow, (iii) Buyer be required to take title to any real property other than the Property, or (iv) any such assignment in connection with any such exchange release either party from any liability or obligation or performance by either party hereunder. Neither party makes any representation to the other regarding qualification of an exchange undertaken by the other under Section 1031 of the Code and shall not be liable to the other in any manner whatsoever if the exchange completed in accordance with this Section 23 should not qualify for any reason under Section 1031 of the Code.

24. Non-Foreign Certification. Each party shall execute a certification under penalty of perjury in the form of and upon the terms set forth in Exhibit G, attached hereto and incorporated herein by reference, setting forth the party's address and certifying that each is not a "foreign person" in accordance with and/or for the purpose of the provisions of Section 1445 (as may be amended) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, and a State of California Form 597.

25. No Commissions. Seller represents and warrants to Buyer that neither Seller nor the City has made any statement or representation nor entered into any agreement with a broker, salesman or finder in connection with the transactions contemplated by this Agreement. Buyer represents and warrants to Seller that Buyer has made no statement or representation nor entered into any agreement with a broker, salesman or finder in connection with the transactions contemplated by this Agreement. In the event of a claim for brokers' or finders' fees or commissions in connection with the negotiation or execution of this Agreement or the transactions contemplated hereunder, Seller shall indemnify, hold harmless and defend Buyer from and against such claim if it shall be based upon any statement or representation or agreement alleged to have been made by Seller or the City, and Buyer shall indemnify, hold harmless and defend Seller if such claim shall be based upon any statement, representation or agreement alleged to have been made by Buyer. The provisions of this Section 25 shall survive the Close of Escrow and the execution and delivery of the Grant Deed and the Assignment of Ground Lease.

26. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties relating to sale of the Property. It integrates all the terms and conditions mentioned herein or incidental thereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

IN WITNESS WHEREOF, this Agreement has been executed by the parties, in the State of California, as of the last chronological date set forth by the signatories below.

Date _____

"SELLER"

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF BURBANK

By: _____

Name: _____

Title: _____

"BUYER"

600 NSFB, LLC, a Delaware limited liability
company

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

State of California } ss.
County of _____ }

On _____, before me, _____,
Notary Public, personally appeared _____,
personally known to me or proved to me on the basis of satisfactory evidence to be the
person whose name(s) is/are subscribed to the within instrument and acknowledged to
me that he/she/they executed the same in his/her/their authorized capacity, and that by
his/her/their signature(s) on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

OPTIONAL INFORMATION

Description of Attached Document

Title or Type of Document: _____

Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name:

- ☐ Individual
- ☐ Corporate Officer—Title: _____
- ☐ Partner--☐ Limited ☐ General
- ☐ Attorney in Fact ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer is Representing: _____

ACKNOWLEDGMENT

State of California }
County of _____ }ss.
}

On _____, before me, _____,
Notary Public, personally appeared _____,
personally known to me or proved to me on the basis of satisfactory evidence to be the
person whose name(s) is/are subscribed to the within instrument and acknowledged to
me that he/she/they executed the same in his/her/their authorized capacity, and that by
his/her/their signature(s) on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

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Date: _____ Number of Pages: _____

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Capacity(ies) Claimed by Signer

Signer's Name:

- ☐ Individual
- ☐ Corporate Officer—Title: _____
- ☐ Partner--☐ Limited ☐ General
- ☐ Attorney in Fact ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer is Representing: _____

Exhibit "A"
MAP OF THE PROPERTY

Exhibit "B"
LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT C

GROUND LEASE WITH IKEA (separate electronic attachment)

Exhibit "D"
FORM OF GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

City Clerk
City of Burbank
P. O. Box 6459
Burbank, California 91510

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 6103.

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE Successor Agency to the Redevelopment Agency of the City of Burbank hereby grants to _____, a Delaware Limited Liability Corporation that real property located in the City of Burbank, Los Angeles County, State of California, that is legally described as follows (the "Property"): (Legal to be added)

The Property is also known as 600 San Fernando Blvd, _____, located in Burbank California and as Los Angeles County Assessor Parcel Numbers _____.

1. The Property is conveyed pursuant to a Purchase and Sale Agreement (the "Agreement") entered into by and between Grantor and Grantee and dated _____, 2012__. The Property is also conveyed subject to all easements of record.

2 The Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to substantially the following nondiscrimination clause:

a. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status or sexual orientation in that sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status or sexual orientation in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the land."

3. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

4. The covenants against discrimination contained in paragraph 2 of this Grant Deed shall remain in perpetuity.

5 In the event of any express conflict between this Grant Deed and the Agreement, the provisions of this Grant Deed shall control.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on its behalf by its duly authorized officer, this ____ day of _____, 200__.

"GRANTOR"

By _____

Name: _____

Title: _____

ACKNOWLEDGMENT

State of California }ss.
County of _____ }

On _____, before me, _____,
Notary Public, personally appeared _____,
personally known to me or proved to me on the basis of satisfactory evidence to be the
person whose name(s) is/are subscribed to the within instrument and acknowledged to
me that he/she/they executed the same in his/her/their authorized capacity, and that by
his/her/their signature(s) on the instrument the person, or the entity upon behalf of
which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary

OPTIONAL INFORMATION

Description of Attached Document

Title or Type of Document: _____

Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name:

- ☐ Individual
- ☐ Corporate Officer—Title: _____
- ☐ Partner--☐ Limited ☐ General
- ☐ Attorney in Fact ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other:

Signer is Representing: _____

EXHIBIT E

GENERAL ASSIGNMENT AND BILL OF SALE

THIS GENERAL ASSIGNMENT AND BILL OF SALE ("Assignment") is made this _____ day of _____, _____, by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

Recitals

Assignor and Assignee entered into that certain Purchase and Sale Agreement and Escrow Instructions dated as of _____ (the "Agreement"), respecting the sale of certain "Property" (as described and defined in the Agreement). Capitalized terms used but not defined herein shall have their meanings set forth in the Agreement.

Assignor desires to assign, and Assignee desires to assume, any and all of Assignor's right, title and interest in each of the following (collectively, the "Assigned Items"):

(a) any and all (i) licenses, permits and entitlements necessary for the construction, rehabilitation and operation of the Property in accordance with its current use; and (ii) development rights and other intangible rights, titles, interests, privileges and appurtenances owned by Assignor and exclusively relating to the Property and its operation, including, without limitation, any and all rights relating to the REA; and

(b) all fixtures, fittings, furniture, furnishings, appliances, apparatus, equipment, machinery, building materials, and other items of tangible personal property owned by Assignor and affixed or attached to or located on the Property as of the date of the Close of Escrow.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Assignor assigns, sells, transfers, sets over and delivers unto Assignee all of Assignor's right, title and interest in and to the Assigned Items.

Assignee accepts such assignment and assumes all liabilities, duties and obligations under the Assigned Items and the performance of all of the terms, covenants and conditions imposed upon Assignor with respect to the Assigned Items to the extent first arising from and after the date hereof.

In the event of the bringing of any action or suit by a party hereto against another

party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees. This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. PDF and facsimile signatures on this Assignment shall each have the same force and effect as original ink signatures. This Assignment is subject to the terms and conditions of the Agreement.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first above written.

ASSIGNEE:

a _____

By: _____
Name: _____
Position: _____

By: _____
Name: _____
Position: _____

ASSIGNOR:

a _____

By: _____
Name: _____
Position: _____

EXHIBIT F
Assignment of the Ground Lease with Ikea

EXHIBIT G
ESTOPPEL CERTIFICATE

TENANT ESTOPPEL CERTIFICATE

TO _____ AND ITS LENDERS, TITLE INSURERS, SUCCESSORS AND ASSIGNS, ("Buyer"):

This is to certify that:

1. The undersigned is the Lessee ("Tenant") under that certain Lease or Tenancy Agreement dated November _____, 1989, and attached hereto as Exhibit 1 (the "Lease") by and between Successor Agency to the Redevelopment Agency of the City of Burbank (together with all predecessors-in-interest, collectively, "Landlord") and _Ikea Property, Inc._, as Tenant, covering those certain premises commonly known and designed as 600 N. San Fernando Blvd., Burbank California, ("Premises").

2. The Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect. The Lease is valid and in full force and effect on the date hereof.

3. The Tenant is not entitled to, and has made no agreement with the Landlord or its agents or employees concerning, free rent, partial rent, rebate of rent payments, credit or offset or reduction in rent, or any other type of rental concession including, without limitation, lease support payments or lease buy-outs.

4. The Tenant now occupies the premises. The Lease term began on November _____, 1989, and the termination of the present term of the Lease, excluding on exercise renewals, is _____.

5. The Tenant has paid rent for the Premises for the period up to and including _____. No such rent (not including security deposits) has been paid more than one (1) month in advance of its due date, except as indicated below: _____. The tenant security deposit is: _____.

6. No breach or default exists under the Lease by Tenant or, to Tenant's best knowledge, Landlord, and no event has occurred and no conditions exist which, with the giving of notice or the lapse of time or both, will constitute a default by Tenant or, to Tenant's best knowledge, by the Landlord, under the Lease. To the best knowledge of Tenant, the Tenant has no existing defenses or offsets against the enforcement of the Lease by the Landlord.

7. All required contributions by the Landlord to the Tenant on account of the Tenant's improvements have been received by the Tenant.

8. The Lease contains, and the Tenant has, no outstanding options, rights of first refusal or rights of first offer to purchase the Premises or any part thereof, or any in all part of the real property of which the Premises are a part.

9. No action whether voluntary or otherwise are pending against Tenant under the Bankruptcy Laws of the United States or any state there.

10. The Tenant has not sublet the Premises to any sublessee and has not assigned any of its rights under the Lease, except as indicated below and approved pursuant to the Lease and by the Agency: _____. No one except the Tenant and its employees occupy the Premises.

11. The Premises have not been used by Tenant and the Tenant does not plan to use the Premises for any activities which, directly or indirectly, involve the use, generation, treatment, storage, transportation, or disposal of any petroleum product or any toxic or hazardous chemical material substance pollutant or waste in violation of applicable law.

12. Tenant has not received any written notice from any governmental authority of violation of any federal, state, county or local statutes, laws, rules or regulations of any governmental authorities relating to environmental, health or safety matters and, to Tenant's actual knowledge, there are no writs, injunctions, decrees, orders or judgments outstanding, or lawsuits, claims, proceedings or investigations pending or threatened relating to Tenant's use, maintenance or operation of the Premises.

13. Tenant acknowledges that all of the interests of the Landlord in and to the Lease is being duly assigned to Buyer (or a party(s) comprising Buyer), and that pursuant to the terms thereof, all rent payment under the Lease shall continue to be paid in accordance with the terms and Lease.

14. The undersigned is authorized to execute this Tenant Estoppel Certificate on behalf of the Tenant. Buyer (and the parties comprising Buyer) shall be entitled to rely upon the statements in this Tenant Estoppel Certificate in connection with any purchase of the Premises by Buyer or any party comprising Buyer.

Dated this ____ day of _____, 2012.

"Tenant"

By: _____

Name: _____

Exhibit 1 to Estoppel Certificate

Ground Lease

EXHIBIT H
NON-FOREIGN CERTIFICATION

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

To inform the Successor Agency (the "Transferee") that withholding of tax under Section 1445 of the Internal Revenue Code of 1954, as amended, will not be required upon my transfer of certain real property to the Transferee, the undersigned, hereby certifies the following:

1. _____, are not nonresident aliens for purposes of U.S. income taxation;

2. Its tax identification number is _____; and

3. Its principal place of business is _____

I understand that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement I have made here could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete.

DATE: _____

"Seller"

By: _____

Name: _____

Title: _____

EXHIBIT D

Excerpt from NSFB Appraisal

600 North San Fernando Boulevard

CONCLUSION

The market value of the leased fee interest is all in the reversionary value. We calculated the reversionary value by inflating the current land value (\$38 PSF) over the term of the lease, and discounted it by 6.25%. After discounting, the present value of the reversionary value is estimated at \$1,100,000.

MARKET VALUE CONCLUSION	
Discount Rate Assumption	6.25%
Concluded Land Value PSF	\$38.00
Land Area	<u>277.978</u>
PV Land Value	\$10,563,164
Growth (1.03% ^ 73 Yrs)	<u>8.65</u>
Reversion Value - YR 2084	\$91,392,683
Less: Cost of Sale (2%)	<u>\$1,827,854</u>
Net Reversion Value - YR 2084	\$89,564,829
Discounted Reversion Value	\$1,071,828
Rounded	\$1,100,000

EXHIBIT E

Letter from City's Appraiser

600 North San Fernando Boulevard



October 30, 2012

****VIA E-MAIL ONLY****

Ruth Davidson-Guerra
Assistant Community Development Director
City of Burbank
150 N. Third Street, 2nd Floor
Burbank, CA 91502
rdavidson@ci.burank.ca.us

Re: The Appraised Value of the City of Burbank's Leased Fee Interest in the Town Center Mall Site as of April 12, 2011

Dear Ms. Davidson-Guerra:

In our telephone discussion on October 30, 2012 we discussed an appropriate way to estimate the value of that portion of the Town Center site occupied by IKEA, based on our 2011 opinion of value. The IKEA improvements are situated on parcel 2460-023-044 which has an area of 277,913 square feet which represents approximately 17.2% of the Town Center site. In our appraisal, we stated that the value of the City's interest in the Town Center site was \$8,500,000.

Therefore, as an approximate indicator of value it would be appropriate to apply IKEA's percentage to the total value of the site as follows:

$$17.2\% \times \$8,500,000 = \$1,462,000 \text{ as of April 12, 2011}$$

Sincerely yours,

A handwritten signature in black ink, appearing to be 'J. Griffey', written over a white background.

John J. Griffey
President

JG:SA

